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February 17, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE CHIEF INFORMATION OFFICER TO
EXECUTE A SERIES OF WORK ORDERS WITH ORACLE CORPORATION FOR
CONSULTING SERVICES FOR LOTUS NOTES MIGRATION PROJECT**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

This is a recommendation for your Board to delegate the authority to the Director, Department of Public Social Services, to direct the Chief Information Office to execute a series of Work Orders for consulting services under the County's Oracle Master Services Agreement. The Master Agreement Number 76043 with Oracle Corporation is for the Lotus Notes Migration Project. The project entails the migration of the existing Lotus Notes applications to a scalable web-based platform.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and direct the Chief Information Office (CIO) at the request of the Department of Public Social Services (DPSS) to execute a series of Work Orders (WOs) for consulting services under the County's Oracle Master Services Agreement (Master Agreement) Number 76043 with Oracle Corporation (Oracle) for the Lotus Notes Migration Project for a maximum amount not to exceed \$1,435,542. This is in accordance with the Board directive which requires that WOs that exceed \$300,000 be approved by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS' Information Technology Division (ITD) currently maintains more than forty (40+) Lotus Notes applications that address a variety of departmental business needs. However, these applications no longer adequately meet the changing needs of the Department because most of them are over ten years old. In addition to the outdated technology, the maintainability of these applications is at risk due to the lack of in-house skilled developers.

The migration of the existing Lotus Notes applications to a scalable web-based platform is crucial and will enable DPSS to:

- Minimize the applications maintainability issue by reducing the reliance on Information Technology Support Services Master Agreement (ITSSMA) consultants.
- Increase business efficiencies by using modern technology.
- Obtain a more reliable data storage and disaster recovery through the use of Internal Services Department (ISD) hosting services.
- Achieve cost avoidance in excess of \$1,294,580 in the first year and \$1,194,580 on subsequent years.

Due to the large number of Lotus Notes custom applications, the Lotus Notes Migration Project consists of two phases:

- Phase I, accomplished in Fiscal Year (FY) 2007-2008 at a cost of \$264,458, was the Development of a Migration Plan and Validation of the new Platform Architecture.
- In Phase II, spans (FY 08/09 – FY 09/10), DPSS will develop, test, and migrate the special purpose applications and infrastructure support applications/databases by assessing project needs and evaluating the costs and benefits. Additional Work Orders will be submitted for approval. DPSS will acquire Oracle Corporation Consulting Services by Work Orders under the existing Oracle Master Services Agreement with the total projected cost of \$1,435,542.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal #1: Service Excellence (Strategy 2), to implement programs to improve the efficiency, quality, and responsiveness of County services to all residents; Goal #3: Organizational Effectiveness, to ensure that service delivery systems are efficient, effective, and goal-oriented.

BACKGROUND

The CIO approved and executed Work Order #25900-04-002 and Work Order #25900-04-007 for a total amount of \$264,458. The two referenced work orders produced the following key deliverables: (a) a project management plan to define the scope of the application architecture effort; (b) a enterprise relational data model; (c) an enterprise application design; (d) a project management plan to define the scope timeline and resources for the migration build phase; (e) enterprise architecture certification to validate the application architecture. As part of the consulting services provided for Phase I, Oracle determined the scope of the project by defining the work required for the migration and provided a timeline for its completion. DPSS will initiate additional Work Orders for completing the defined tasks planned for FY 2008-09 and FY 2009-10.

DPSS' ITD currently maintains more than forty (40+) Lotus Notes applications. This suite of applications addresses a variety of departmental business needs such as Work Assignment, Promotion Request System, and Eligible Lists. Most of the Lotus Notes applications are over ten years old. The resource limitation of skilled in-house developers, the outdated technology of the current platform, and inaccessibility via the web makes it necessary to migrate to an Oracle platform. The Oracle platform will allow ITD to be more responsive to our user's needs and enable us to rapidly build new web-based applications.

FISCAL IMPACT/FINANCING

The proposed total amount of all Work Orders for the Lotus Notes Application Migration Project is \$1,700,000. The project has already incurred expenses of \$264,458 in FY 2007-08. The project expects to incur the remaining expenses of \$600,000 in FY 2008-09 and \$835,542 in FY 2009-10.

Since the County will meet the CalWORKs and Food Stamps Maintenance of Effort requirement, there is no additional Net County Cost (NCC) for these programs. Therefore, the share of costs associated with programs such as General Relief results in an estimated NCC of \$49,800 for FY 08-09. The NCC is estimated to be \$69,350 for FY 09-10. Sufficient funding is included in the Department's FY 2008-09 Adopted Budget and the Department's FY 2009-10 Budget Request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The California Department of Social Services Office of Systems Integration approved DPSS' Lotus Notes Application Migration Project on January 25, 2008 in the amount of \$1,700,000 under Account Number 19-07-5477.

Oracle is the manufacturer of the Oracle platform and is uniquely positioned to provide the required technical expertise, support, and consulting services needed to successfully plan, design, and implement an enterprise platform that meets the diverse needs of DPSS. Under your Board's direction, the CIO's delegated authority to execute Oracle Master Services Agreement Work Orders is limited to \$300,000.

IMPACT ON CURRENT SERVICES

The migration effort by DPSS conforms with the County strategic direction to adopt the use of CIO recommended software technology, which is compatible to the technologies being used by other County departments. New applications will provide the following benefits:

Cost Avoidance: (First Year Total \$1,294,580 and \$1,194,580 for each subsequent year)

- Replacement of obsolete Lotus Notes servers (\$100,000).
- Application Maintenance through the use of DPSS Development Staff instead of ITSSMA Contractors (\$400,000).
- Software Licenses yearly renewal (\$794,580).

Risk Mitigation:

- Minimize reliance on ITSSMA consultant services by moving to a modernized platform where in-house development staff will be able to provide support.
- Replace inadequate Business Data storage with secured Oracle Database servers which will enable comprehensive back-up and recovery capabilities.
- Increase Business Data integrity by eliminating replication conflicts which are inherent on the existing Domino/Lotus Notes platform.
- Minimize the system vulnerability by implementing a secure environment that ensures authorized access.

Business Efficiencies:

- Enable DPSS to leverage on the use of readily available technical resources.
- Redesign and enhance functionality through integration and consolidation of like processes.
- Shorten the application development timeline and increase the compatibility with other internal and external systems.
- Increase user productivity through an enterprise standard user interface.
- Increase ITD's Business Analysts capacity by a reduced demand for end user support through application's enhanced help functionality.

CONCLUSION

Upon approval, the Executive Officer, Board of Supervisors, is requested to return two (2) adopted stamped Board Letters to the Director of the Department of Public Social Services and Chief Information Officer.

Respectfully submitted,



Philip L. Browning
Director

Reviewed by:



Richard Sanchez
Acting Chief Information Officer

PLB:RS:sl

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

CIO ANALYSIS

Oracle Consulting Services for Lotus Notes Migration Project

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☒ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 24 Months # of Option Yrs: 0

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Michael Sylvester, IT Director, DPSS

Budget Information :

Y-T-D Contract Expenditures	\$ 264,458
Requested Contract Amount	\$1,435,542
Aggregate Contract Amount	\$1,700,000

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? The Lotus Notes migration project will be offset 93%.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Department of Public Social Services (DPSS) is seeking your Board's approval for the Chief Information Officer (CIO) to execute a series of Work Orders (WOs) for consulting services with Oracle Corporation (Oracle) for a total maximum cost of \$1,435,542 as provided for in the County's Master Services Master Agreement with Oracle. The WOs will assist DPSS in migrating from the Department's Lotus Notes platform to Oracle applications to provide a more cost effective applications platform.

The Lotus Notes migration project is included in the Department's FY 2008-2009 and FY 2008-2009 Business Automation Plans. Funding for all but \$49,800 for FY 2008-2009 and \$69,350 for FY 2009-2010 of the \$1,435,542 will be offset using the Department's funds originating from the State of California.

Background:

Lotus Notes applications address a variety of the Department's business needs such as Work Assignment, Promotion Request System, Eligible Lists, Service Awards, MAPP Participants, Civil Rights Investigations, VIP Help Line, Central Help Line, and others. The Department is incurring higher costs on its Lotus Notes licensing, hardware, administrative and consulting costs. DPSS relies on outside consulting services due to the lack of in-house skilled Lotus Notes applications developers for maintaining these applications. The Department's Lotus Notes applications servers are reaching maximum capacity, thereby expediting the need to migrate the existing Lotus Notes applications to a web-based Oracle applications platform. The application migration project will use a Master Services Agreement with Oracle to support the migration from DPSS' current Lotus Notes to Oracle applications platform.

Project Justification/Benefits:

Most of the Lotus Notes applications are over 10 years old. The resource limitation of skilled in-house Lotus Notes developers and the outdated technology of the current Lotus Notes platform make it difficult to enhance the applications. To respond to user requests for additional functionality, DPSS will need to migrate to an Oracle applications platform. The migration process will allow an application redesign that will increase functionality and enable the Department to consolidate similar business processes.

Project Metrics:

The Lotus Notes migration project will be divided into a series of Work Orders for migrating one or more Lotus Notes application(s). Each Work Order is a fixed priced contract between DPSS and Oracle for deliverables defined in the Work Order. As such, the County will have incremental value as each Work Order is completed and deliverables accepted.

Impact On Service Delivery Or Department Operations If Proposal Is Not Approved:

The Department will continue to incur higher costs through Lotus Notes licensing, hardware, administrative and consulting costs. Migrating to Oracle applications will reduce these costs.

Alternatives Considered:

No other alternatives were considered. DPSS can achieve cost savings by leveraging its existing technology infrastructure, licenses, and resources.

Project Risks:

The Department's Information Technology Division (ITD) has a systematic process for identifying, analyzing, and responding to project risks. This process includes risk management planning, risk identification, qualitative risk analysis, quantitative risk analysis, risk response planning, and risk monitoring and control.

Risk Mitigation Measures:

The Lotus Notes migration project has defined fixed price deliverables with assigned payments. Oracle, being the manufacturer of Oracle application software, has expertise for performing the migration from the Lotus Notes platform to the Oracle applications platform.

Financial Analysis:

Oracle's cost for the Lotus Notes migration project is \$1,435,542 and will be divided among individually CIO approved deliverable-based Work Orders.

CIO Concerns:

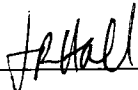
None.

CIO Recommendations:

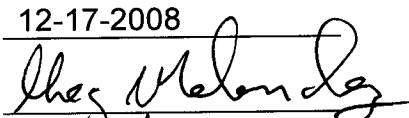
The CIO supports this action and recommends Board approval.

CIO APPROVAL

Date Received: 12-17-2008

Prepared by: James Hall 

Date: 12-17-2008

Approved: 

Date: 2/4/2009